



Internal Revenue Service

Small Business/Self-Employed

IRS Stakeholder Partners Headliners ...and more

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This e-mail is being sent to you for distribution to your organization's members. If you need further assistance please contact your local Taxpayer Education and Communication (TEC) office. The number is available in IRS Publication 3698A "Small Business/Self-Employed Taxpayer Education and Communication at a Glance", which can be found at [Taxpayer Education and Communication](#).

IRS Issues Consumer Alert on Slavery Reparation Scams

New Policy Asserts \$500 Penalty for False Reparation Claims; Promoters to be Prosecuted

On January 24, 2002, the IRS issued News Release IR-2002-08 alerting taxpayers to the recent surge in this scam and Fact Sheet FS-2002-08 detailing criminal prosecution of scam promoters. This is not a new scam, but greatly increased since 2000 have required a change in IRS policy. Starting April 15, 2002, slavery reparation claims will be treated the same as all other categories of frivolous tax claims. A \$500 penalty for filing a frivolous tax return can be asserted if the taxpayer does not withdraw the claim after the first tax filing. Previously a taxpayer had to submit two slavery reparation claims before the penalty could be imposed.

Additional information is attached on this subject. This informational package consists of a Drop-In Article, Talking Points, Frequently asked Questions/Answers and a statement from Eddie Bernice Johnson, Chair of the Congressional Black Caucus.

To view the News Release and Fact Sheet on this topic, visit the following Web site located through www.irs.gov, at:

IR- 2002-08 <http://www.irs.gov/pub/irs-news/ir-02-08.pdf>

FS-2002-08 <http://www.irs.gov/pub/irs-news/fs-02-08.pdf>

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